

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3388
ANSWERED ON:20.08.2004
CREDIT FACILITIES TO FARMERS
Nayak Shri Ananta

Will the Minister of FINANCE be pleased to state:

- (a) whether some public sector banks have started negotiating directly with farmers to extend credit facilities;
- (b) if so, the steps taken by the PSB in this regard, particularly in Orissa?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRIS. S. PALANIMANICKAM)

(a) & (b): As reported by Reserve Bank of India (RBI), all loans and advances to agriculture which are categorized as direct advances, are lent directly to the farmers by public sector banks. The banks are thus in direct contact with farmers.

In the State of Orissa, following Government's announcement on 18.06.2004 to increase the credit flow to agriculture, the Orissa State Level Bankers' Committee has constituted a High Power Committee, headed by the Agriculture Production Commissioner, to decide upon the modalities of sectoral allocation of additional credit flow to agriculture from banks during the current financial year. The Committee has prescribed the following main action points for implementation by banks in the State during the year:

- i. To formulate 2-3 new bankable schemes for investment credit amounting to Rs.3-5 lakh each in rural and semi-urban areas;
- ii. 100 new farmers to be assisted by each branch and 10 agri-clinics to be opened in each district with financial assistance from banks;
- iii. To give special emphasis to increase agricultural credit through Self-Help Groups and Kisan Credit Cards.

The SLBC Convenor Bank, UCO Bank, has communicated the decisions of the Committee along with district-wise targets to the lead banks in all the 30 districts of the State. The branches of public sector banks in Orissa have already started contacting the farmers in their areas of operation to extend credit to agriculture sector, for farm mechanization (tractor loans) and for other schematic lending such as plantation, fisheries, horticulture, etc. The banks are also contacting farmers for the issue of KCCs to meet their farm sector credit requirements.